

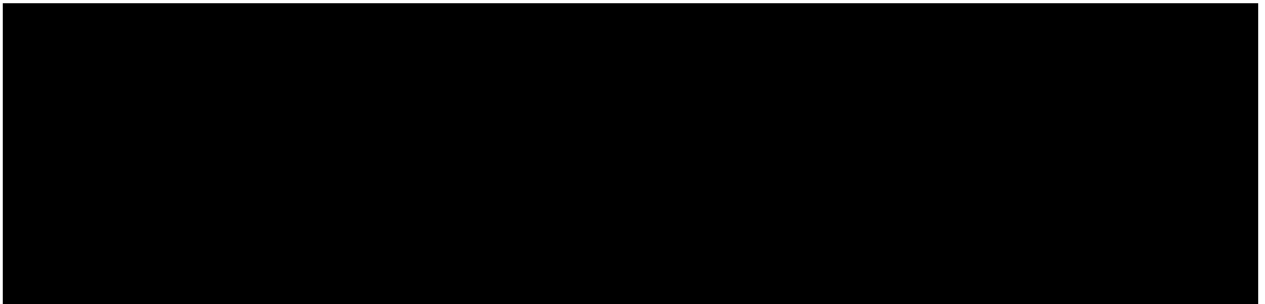
CLANDESTINE SERVICE SUPPORT OFFICERS' MEETING

DDS Conference Room

20 January 1971

1. Present were:

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2. Items of interest at the DDP Staff Meeting:

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a. Wisner Plaque Ceremony We mentioned at the meeting on 6 January 1971 that the ceremony to unveil the Wisner plaque would be on 29 January. The plaque will be hung in DDP's outer office. Harry [REDACTED] will be sending you tickets for distribution to your component for attendance for the ceremony in the auditorium. The Director has sent a personal invitation to those who contributed toward the plaque and these persons will join the Director and other guests for lunch in the Rendezvous Room. [REDACTED] expects to have a memorandum to you on Monday, 25 January, with the auditorium tickets.

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b. Delinquent Fitness Reports Mr. Karamessines called upon all component chiefs to eliminate delinquent fitness reports, some of which are 7 to 10 months late.

c. [REDACTED] Mr. Coffey sent John a warm note of thanks for his splendid contribution to the Christmas Food and Gift Program. Mr. Karamessines read from this letter at the Staff meeting.

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d. New York Times Series We were told the Times tomorrow will begin a series on the Intelligence Community and the National Security Council and that CIA will get some attention.

e. Conversations with the Press Mr. Karamessines reminded all that there should be no conversations with members of the press. One reporter is working on an article on "What Went Wrong in Vietnam" and is trying to contact Agency members for interviews.

3. The regular DDS Staff Meeting will be held tomorrow.

4. Other items of interest:

a. Senator Russell As you've heard, Senator Russell is hospitalized with a serious ailment. He is not expected to recover. The Director today said his death would be a real loss to us because he is regarded as the best friend in Congress the Agency has ever had.

b. 1971 Salary Withholding Rates You noticed a larger net pay in your last paycheck due to changes in Federal withholding rates for 1971. [REDACTED] dated 16 December 1970 announced these changes. Les Bush has provided additional information on these changes. He says for most employees reductions in the amounts withheld were reasonably related to changes in 1971 tax computation factors. A notable exception has come to his attention, however. The reductions for personnel claiming exemptions as married individuals with income after exemptions at rates above \$20,000 per annum considerably exceed any possible reduction in actual tax liability. He has learned, on the basis of informal liaison with a treasury official, that this increase in underwithholding resulted from adjustments of the basic withholding tables to avoid overwithholding on compensation below the \$20,000 level; the adjustments resulted in lowering the maximum rate of withholding from 30 percent to 25 percent without corresponding reduction in tax liability. Les expects that the number of personnel directly affected in any substantial way by the foregoing will be relatively small. He suggests individual determination as to the extent 1971 withholdings will be understated in relation to actual tax liability for 1971. Employees desiring to do so may file amended W-4's to reduce exemptions or authorize additional amounts to be withheld.

c. Tax Exemption on Disability Annuities On 13 January we discussed with you the period of entitlement, if any, to income tax sick pay exclusions with a disability retirement under CIARDS and CSRS. Frank [REDACTED] mentioned that State has a different rule for Foreign Service Officers.

State does have a different rule since 1960 when they were able to get through Congress an amendment to the Internal Revenue Code which grants to any Foreign Service Officer complete income tax exemption for the rest of his life for a disability annuity payable under the provisions of Section 831 of the Foreign Service Act. When the Agency was proposing the CIARDS this identical amendment to Internal Revenue Code was a part of the 1963 package. However, since we had to deal with the Armed Services Committee and the Ways and Means Committee has cognizance over the Internal Revenue Code, the Ways and Means Committee demanded an opportunity to review our proposal. Larry Houston met with the Ways and Means Committee and attempted to have them waive jurisdiction for this item. The Committee would not grant the waiver and for that and other reasons our retirement bill, which also contained other proposed amendments to our basic 1949 Act, was stripped of everything but the retirement program. The Ways and Means Committee kept the tax exemption question open for the rest of the 88th Congress. We submitted a new bill on the tax question to the 89th Congress and it was duly referred to the Ways and Means Committee. While prospects for passage looked bright at the outset, it did not pass in that Congress because of an overall policy review undertaken on the Internal Revenue Code. For each succeeding Congress the question of whether or not to resubmit this bill has been presented to the Director and it will be again presented for his consideration in the next legislative package.

25X1A d. Temporary Lodging Allowance State has amended the temporary lodging portion of the home service transfer allowance to permit the payment of \$12 per day to the "initial occupant", \$9 per day to the "second occupant", and \$6 per day for each other member of the employee's family not included in those two. See TL:SR-205, effective 27 December 1970. Since we incorporate by reference in our regulations this provision of Standardized Regulations, you may apply the new definitions retroactive to 27 December 1970. Our [REDACTED] will be further amended to conform.

25X1A e. Exceptions to 15 Day Home Leave Rule On 29 April 1970, Charlie [REDACTED] advised you that DDP/OP had asked that all requests for exceptions to the 15 day HL rule come first to SSA/DDS from the component and that we will review and pass to CCS, the DD concerned, and the Director of Personnel for approval. We have reconfirmed with DDP/OP and C/CCS that this routing is still desired.

f. Additional FY 1972 Ceiling Cut Earlier we mentioned that OMB had restored part of the directed 2 1/2% cut in ceiling and funds to be effective 1 July 1971. The Agency, however, has decided to plan the full 2 1/2% cut and thereby create a reserve for emergency requirements.

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g. Employee Conduct and Discipline Last week Charlie reminded you of the requirement to circulate [REDACTED] The requirement still applies but the months are April and October, not January and July as heretofore.

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h. Security Violations - December 1970 We did a little better in December, with a total of 14 violations. EUR got 4; AF and CA - 2 each; CI, FI [REDACTED] FI, SB, TSD and WH had 1 each.

i. Proposed Revision of Standardized Government Travel Regulations (Office of Management and Budget Circular No. A-7)
Mr. Coffey talked to the Executive Director about the latest OMB proposal to amend the Standardized Government Travel Regulations to insert lodging plus method of setting per diem rates. He told him that the Director of Finance developed a proposal for Agency application in the event it should be considered necessary. Mr. Coffey recommended, however, that we make no change in our present arrangements and that we make no response to the OMB 18 December 1970 memorandum. The Executive Director agreed on both counts. The Director of Finance will provide any internal guidance considered pertinent following the publication of the change to SGTR's by OMB when and if that is issued.